

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

FACSIMILE

(202) 955-9792

www.kelleydrye.com

WASHINGTON, D.C. 20036 RECEIVED

(202) 955-9600

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OFFICE OF THE SECRETARY

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October 14, 2002

GENEVIEVE MORELLI
DIRECT LINE (202) 887-1230

E-MAIL: gmorelli@kelleydrye.com

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, SW Room TWB-204 Washington, D.C 20554

Re: Ex Parte Presentation in CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

NEW YORK, NY

TYSONS CORNER, VA

LOS ANGELES, CA

CHICAGO IL

STAMFORD, CT

BRUSSELS, BELGIUM HONG KONG

AFFILIATE OFFICES

BANGKOK, THAILAND

MUMBAL, INDIA

TOKYO. JAPAN

On October IO. 2002, Joseph Gillan, and the undersigned, representing the Promoting Active Competition Everywhere ("PACE") Coalition, met with Christopher Libertelli of Chairman Powell's office to discuss the position of the PACE Coalition on the future availability of local switching as an unbundled network element. The attached documents were distributed at the meeting.

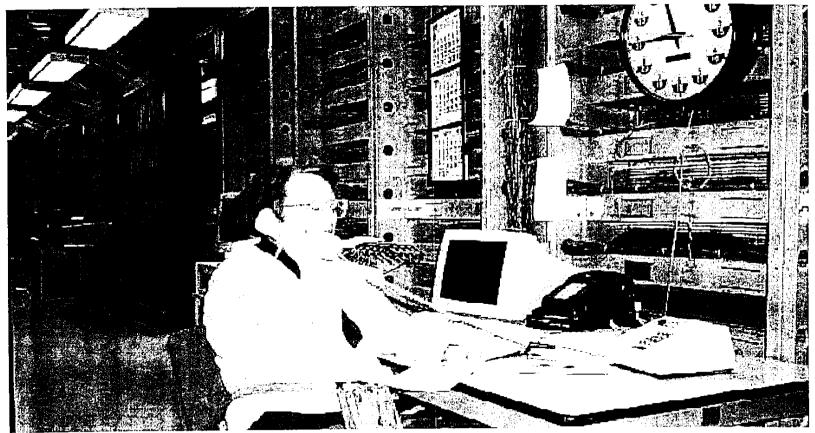
In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this letter and attachment is being filed with your office.

Sincerely,
General World

cc: Chiistopher Libertelli

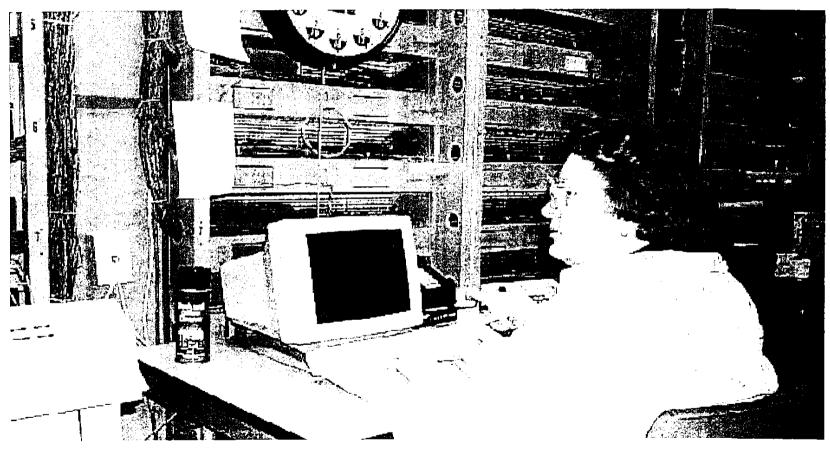
Step 1: Technician gets call to begin cutover. Asks for cable pair information.

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Step 2: Technician types in cable pair number to obtain order number.

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LOOP CUTOVER PROCESS

Step 3: Technician retrieves copy of work order.



Step 4: Technician responds to UNE Center request to initiate overall cutover of service from BellSouth to CLEC.

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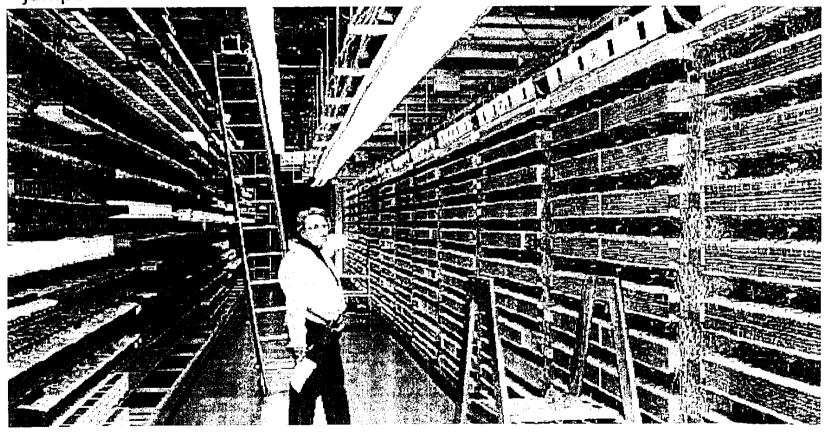
Step 5: Technician conducts ANAC test to verify that correct loop is being cutover.

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Step 6: Technician walks along Main Distributing Frame to locate both ends of jumper to be cut.

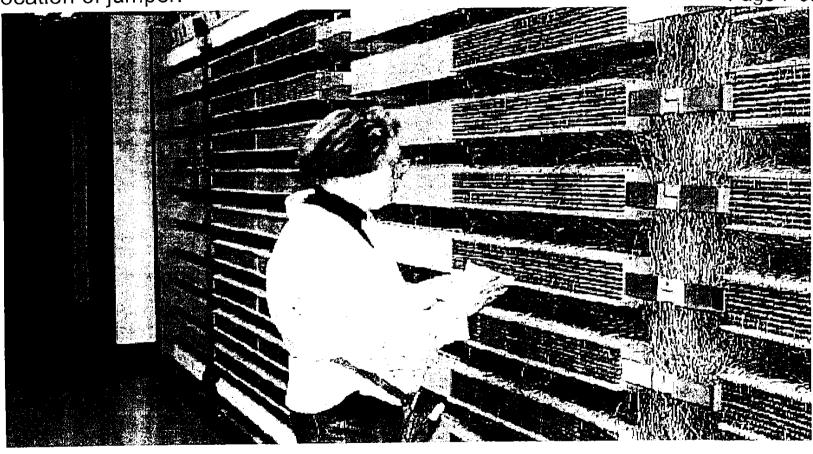
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Step 7: Technician locates precise

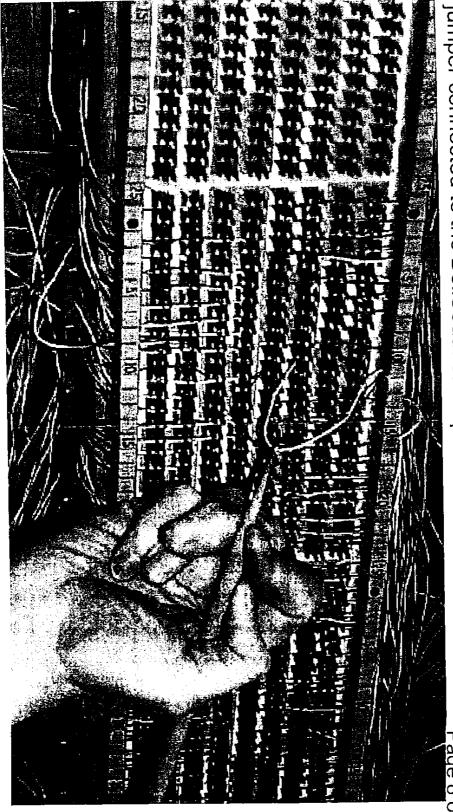
location of jumper.

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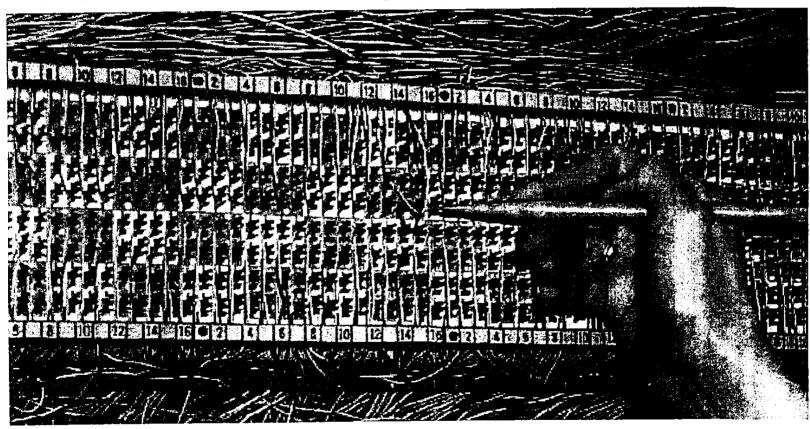
Step 8: Technician locates and removes end of jumper connected to the BellSouth cable pair.

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Step 9: Technician locates and removes end of jumper connected to the switching equipment.

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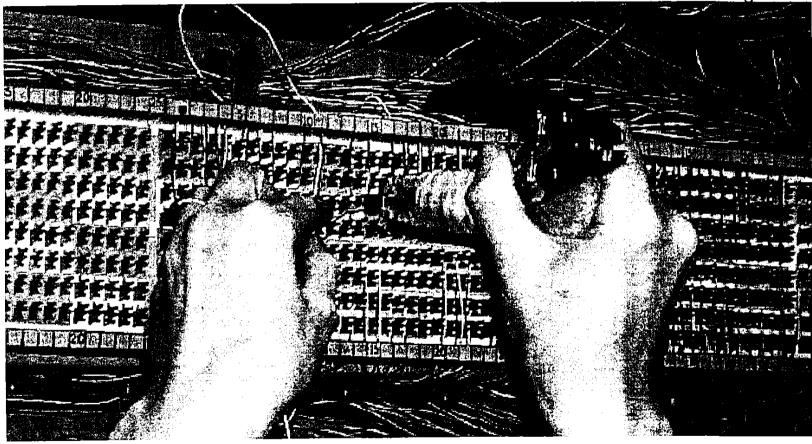
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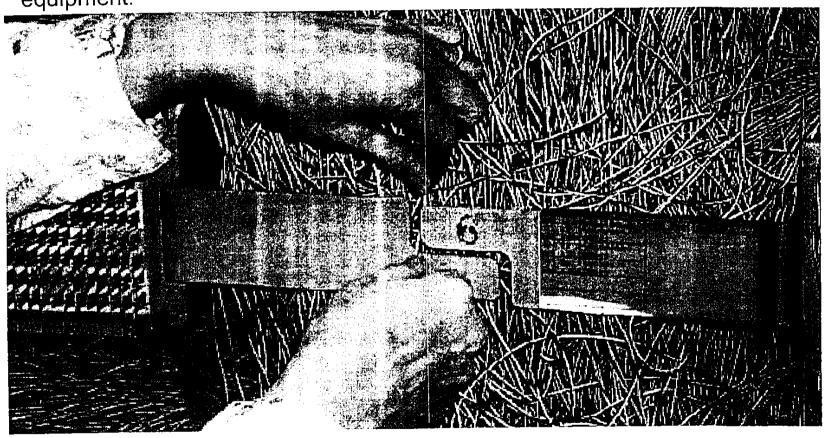
LOOP CUTOVER PROCESS

Step 10: Technician places new jumper on MDF.



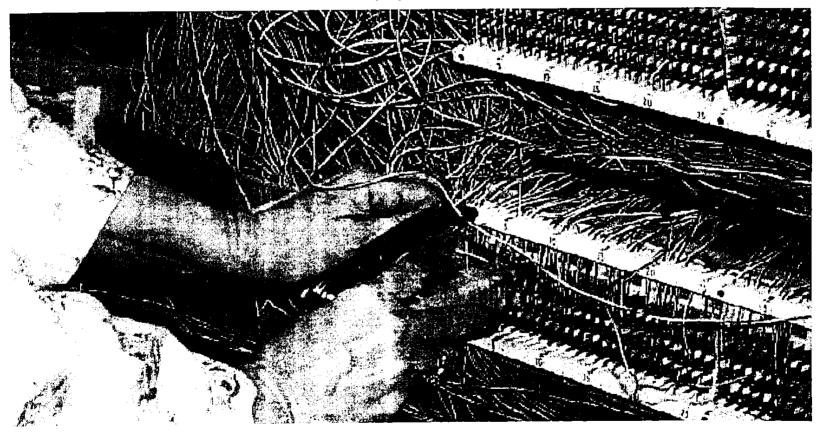
Step 11: Technician weaves wire through cable rack to reach tie cable to CLEC's collocation equipment.

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Step 12: Technician connects new jumper on frame to tie cables to CLEC equipment.

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Step 13: Technician conducts ANAC test to verify that loop has been cut to correct CLEC switch port.

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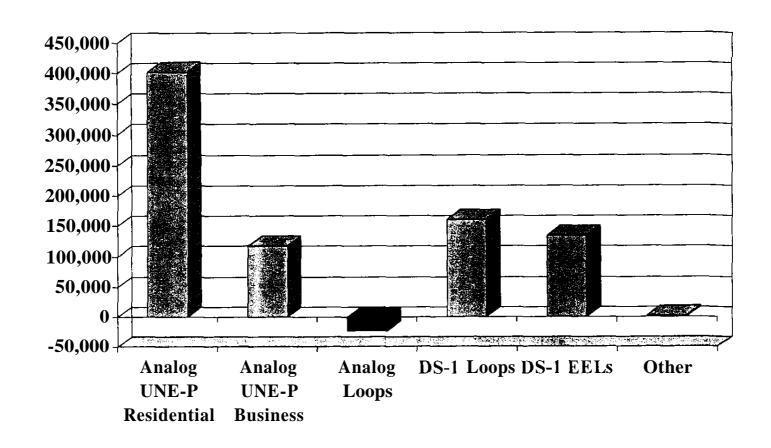
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LOOP CUTOVER PROCESS

Step 14: Technician verifies cutover with CLEC, closes order, and notifies the UNE Center.



The UNE Market (CLEC UNE Lines Added – BellSouth 2002)³



Source. North Carolina Public Service Commission Docke P-100, Sub 33d

The Real Message of the ILEC Financial Argument

UNE-P provides the highest return to the ILEC of any entry strategy. If UNE-P lines were migrated to UNE-L, the financial effect on the ILECs would be much greater. Therefore, the ILECs <u>must</u> expect less competition for their position to be rational.

Minimum Competitive Reduction The ILECs Must Expect'

	Competitive Reduction
Verizon	-36.4%
BellSouth	-42.1%
SBC	-27.9%
Qwest	-44.8%
Nationwide Average	-34.1%

A measure of impairment corrected by a UNE is the competitive gain that results from the UNE being available.

	Competitive Reduction
Verizon	57.2%
BellSouth	72.6%
SBC	38.6%
Qwest	81.0%
Nationwide Average	5 1.7%

* In reality, the competitive loss resulting from removal of ULS would be much greater, and the competitive gain made possible by the availability of ULS is much greater.

Based on UBS Warburg estimates of average revenue, UNE-P and UNE-L costs/line from Commerce Capital Markets, and UNE-P penetration levels as of 12/31/02 from ILEC Form 477 Responses filed with the FCC.